

# DIVISION OF FINANCE

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## STATE OF MISSOURI

June 12, 1998

The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of March 31, 1998, and a comparison with the statements filed one year earlier.

Also included is a comparison of financial statements of state chartered and national banks.

The number of state-chartered banks and trust companies declined from 385 to 360 during the last twelve months. Ten banks merged with other state banks, eighteen merged into national banks, and two merged into Kansas state banks. Five state banks converted to national charters and one national bank converted to a state charter. Seven banks and two non-deposit trust companies received new state charters.

During the preceding twelve months, twenty-five state banks left state regulation, most merged into out-of-state affiliates. On March 31, 1997, these banks held \$7.2 billion in assets and \$5.6 billion in deposits, representing 19.8 and 18.5 percent of total state regulated assets and deposits. These changes in the state banking system were significantly influenced by the actions of NationsBank, Charlotte, North Carolina; Mercantile Bancorporation, St. Louis, Missouri; and Union Planters Corporation, Memphis, Tennessee.

All Boatmen's Bancshares affiliated banks were acquired and merged into NationsBank. Mercantile Bancorporation acquired Mark Twain Bancshares and merged it into out-of-state affiliates. Union Planters merged all Missouri affiliates into its Memphis, Tennessee bank.

These losses were substantially offset by the acquisitions of thrifts by state chartered banks, namely, Roosevelt Bank by Mercantile Bancorporation, and First Bank F.S.B. by First Bank, Clayton.

Assets in state chartered banks totaled \$35.9 billion on March 31, 1998, a decrease of 1.1 percent from one year earlier. Total deposits were \$30.8 billion, up .8 percent. Assets and deposits in state banks unaffected by the aforementioned changes grew 13.3 percent and 13.0 percent respectively.

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Total loans were \$22.9 billion on March 31, 1998, down 2.3 percent. In the unaffected banks, loans grew 16.2 percent.

Equity capital (adjusted) grew 14.5 percent during the last twelve months. The equity capital ratio was 9.13 percent; primary capital ratio, which includes the reserve for loan losses, was 9.95 percent.

Adjusted net income in state banks was up 11.3 percent. Annualized return on assets among state chartered banks was 1.23 percent down from 1.36 percent in the first quarter of 1997.

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Earl L. Manning  
Commissioner

**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF MARCH 31, 1998**

THOUSANDS OF DOLLARS	350 BANKS 3/31/98	375 BANKS 3/31/97	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$22,857,200	\$23,401,200	(\$544,000)	-2.3%
Allowance for Loan Losses	326,100	366,800	(40,700)	-11.1%
Total Assets	35,894,900	36,284,200	(389,300)	-1.1%
<b>LIABILITIES</b>				
Total Deposits	30,808,900	30,555,500	253,400	0.8%
Total Equity Capital	3,276,200	3,621,500	(345,300)	-9.5%

OPERATING RATIOS	3/31/98	3/31/97	CHANGE
Capital and Reserves/Assets	9.95%	10.88%	-0.93%
Total Loans/Assets	63.68%	64.49%	-0.81%
Allowance for Loan Losses/Loans	1.43%	1.57%	-0.14%
Return on Assets (Annualized)	1.23%	1.36%	-0.13%

**NOTES:**

1997 Does not include nine nondeposit trust companies and one chartered but not operating bank.  
1998 Does not include ten nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF MARCH 31, 1998**

MILLIONS OF DOLLARS	3/31/98			3/31/97	PERCENT CHANGE
	350 STATE BANKS	48 NATIONAL BANKS	398 ALL BANKS	429 ALL BANKS	
ASSETS					
Cash and Due from Banks	1,351	2,092	3,443	5,592	-38.4%
Investment Securities	9,116	7,267	16,383	18,266	-10.3%
Total Loans and Leases	22,857	16,205	39,062	53,552	-27.1%
Less: Reserves	326	253	579	853	-32.1%
Federal Funds Sold	1,519	787	2,306	11,542	-80.0%
Fixed Assets	594	534	1,128	1,378	-18.1%
Other Real Estate	49	14	63	104	-39.4%
Other assets	735	728	1,463	5,881	-75.1%
TOTAL ASSETS	\$35,895	\$27,374	63,269	95,462	-33.7%
LIABILITIES					
Total Deposits	30,809	22,336	53,145	69,407	-23.4%
Deposits over 100M	3,041	1,797	4,838	5,039	-4.0%
Brokered Deposits	46	63	109	142	-23.2%
Federal Funds Purchased	1,105	2,085	3,190	12,357	-74.2%
Other liabilities	705	664	1,369	2,705	-49.4%
Total Equity Capital	3,276	2,289	5,565	10,993	-49.4%
TOTAL LIABILITIES	\$35,895	\$27,374	63,269	95,462	-33.7%
EARNINGS					
Interest Income	668	478	1,146	1,559	-26.5%
Interest Expense	330	221	551	753	-26.8%
Net Interest Income	338	257	595	806	-26.2%
Provision for Loan Losses	13	17	30	51	-41.2%
Net Income	109	88	197	256	-23.0%
Cash Dividends	56	80	136	136	0.0%
Net Loan Losses	4	13	17	42	-59.5%